

MEDC Technology Programs, Initiatives and Financial Investments

Michigan Technology Tri-Corridor

- A grant/loan funding program designed to support research and commercialization development of cutting edge breakthrough technologies focusing on the life sciences, homeland security and advanced automotive industries.
- The Technology Tri-Corridor will serve as a catalyst for building Michigan's high-tech automotive heritage, while continuing to diversify and grow our state's economy in life sciences and homeland security.
- The Technology Tri-Corridor Steering Committee, recognizing the unique challenges inherent in technology innovation processes, particularly for emerging companies, has created a program to match Phase I grants (Matching Award) from the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs to Michigan Companies. Through the 2004 Michigan Technology Tri-Corridor program, \$1 million has been allocated for the Michigan Technology Tri-Corridor SBIR/STTR Emerging Business Fund to foster growth in the automotive, life sciences and homeland security industries. The dual purpose of this fund is to both increase the numbers and competitiveness of Michigan SBIR/STTR proposals by providing support to Michigan businesses and to increase the success of Michigan businesses moving from Phase I to Phase II.

High-Tech MEGA

- To promote the development of high-tech businesses in both traditional and emerging industries, Michigan offers a tax credit against the State's Single Business Tax.
- Eligible businesses receiving this tax credit must use at least 25% of its total operating expenses for research and development, create at least 5 new jobs within one year and 25 new jobs within 5 years, and pay an average wage of at least 400% of the federal minimum wage.

SmartZones/Business Accelerators Program

- The designation of eleven SmartZones across Michigan are intended to stimulate the growth of technology-based businesses and jobs by creating recognized clusters of new and emerging businesses, primarily focused on commercializing ideas, patents and other opportunities surrounding university and private research and development efforts.
- Seven of the eleven SmartZones have a Business Accelerator program, which provides services, such as business plan development, market assessment, technical assistance and market research analysis to high-tech companies.

NextEnergy

- MEDC invested \$30 Million in 2002 for Michigan's NextEnergy initiative.
- The NextEnergy Center is a non-profit corporation, located in Detroit, dedicated to advancing the use of alternative energy technologies by supporting research, design, manufacturing, education, commercialization and marketing.
- NextEnergy is a comprehensive economic development plan designed to position Michigan as the world's leading center for alternative energy technology.

Small Technology: Growing the Micro and Nano Tech Industry

- Michigan has tremendous potential in becoming a leader in this emerging industry. Many Michigan companies are developing small technology applications and five universities (UofM, MSU, WSU, WMU and CMU) are conducting research and development in this area of technology to further explore commercialization opportunities.
- As a result of this activity, a strategic plan has been developed by the MEDC to target growth opportunities in this emerging technology sector

Emerging Technology Challenge Fund

- From 2000-2003, the Emerging Technology Challenge Fund provided grant funds to help increase the number of development opportunities that arise from the research and technology developed at Michigan universities.

Michigan Entrepreneurship Education Network (MEEN)

- In 2003, MEDC invested \$750,000 into this program.
- In 2003, MEDC supported MEEN to develop and strengthen entrepreneurship education programs in Michigan's traditional degree-granting public universities. The intent is to create a partnership with all of Michigan's universities to help build their success and reputation in entrepreneurial education, and, in turn, to enhance the reputation of the state for entrepreneurial education.

Venture Capital

- Michigan venture capital under management has grown rapidly between 1996 and 2002. In 1996, capital under management in Michigan was \$154 million and by 2002, it has grown to \$ 2.26 billion, amongst 23 Michigan-based VC companies.
- However, investments in Michigan-based technology start-ups have not increased substantially, and the percent of seed stage investing remains very low.
- As a result, MEDC has been supportive of the Venture Michigan Fund Program which would establish a capital fund for investment by Michigan's VCs in state-based businesses that are in information technology, alternative energy, life sciences and advanced manufacturing.
- The Fund Manager for the Venture Michigan Fund was officially announced on April 18, 2005. Plans to raise \$150 Million in funds will begin in spring 2005.

Angel Networks

- MEDC has provided support for the development of two angel networks across the state—Ann Arbor Angels (Ann Arbor), and Grand Angels (Grand Rapids/Southwest Michigan). A third angel network, Great Lakes Angels (Southeast Michigan) has not received financial assistance from MEDC.
- Efforts in support of these angel networks will help to create an increase in potential deal flow, and as a result, an increased interest from individual angel investors to place their investments in high growth potential companies who are need of pre-seed VC stage funding.

Technology Transfer

- Since 1999, MEDC has financially supported university technology transfer office initiatives at the University of Michigan, Michigan State University, Wayne State University and Michigan Tech University.
- The goal of the program is to create and support a regular full-time incremental university person (within the tech transfer offices) to assist in the transfer of technology, support for entrepreneurial faculty and the commercialization of technology into new start-up companies.